

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3694-02
BILL NO.: HB 1506
SUBJECT: Treasurer, State: Tobacco Products
TYPE: Original
DATE: January 18, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$143,200,000)	(\$172,000,000)	(\$173,500,000)
Missouri Tobacco Settlement Trust	\$143,200,000	\$172,000,000	\$173,500,000
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Oversight Division assumes that:

- 1) in the absence of this proposal the settlement proceeds would be credited to the General Revenue Fund; and
- 2) the **State Treasurer** could absorb duties to administer one additional state fund without the need for additional resources.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
GENERAL REVENUE FUND			
<u>Loss</u> - Settlement Proceeds	(\$143,200,000)	(\$172,000,000)	(\$173,500,000)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$143,200,000)</u>	<u>(\$172,000,000)</u>	<u>(\$173,500,000)</u>
MISSOURI TOBACCO SETTLEMENT TRUST FUND			
<u>Income</u> - Settlement Proceeds	\$143,200,000	\$172,000,000	\$173,500,000
ESTIMATED NET EFFECT ON MISSOURI TOBACCO SETTLEMENT TRUST FUND	<u>\$143,200,000</u>	<u>\$172,000,000</u>	<u>\$173,500,000</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would establish a "Missouri Tobacco Settlement Trust Fund" in the state treasury. The State Treasurer would deposit all moneys received by Missouri under terms of the Master Settlement Agreement into the Fund.

The State Treasurer would invest the moneys in the Trust Fund in a manner similar to the investment of surplus state funds. The moneys in the Fund would not revert to the credit of the General Revenue Fund at the end of the biennium. All earnings from the investment of moneys in the Fund would remain in the Fund.

No disbursement will be made from the Fund until procedures for disbursement are approved by the voters and enacted into law by the legislature.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. This proposal would not directly affect Total State Revenue.

SOURCES OF INFORMATION

State Treasurer

A handwritten signature in black ink, appearing to read "Jeanne Jarrett".

Jeanne Jarrett, CPA
Director
January 18, 2000